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No. 1051

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

UNION CARBIDE CORPORATION, *Petitioner,*

vs.

E. I. duPONT de NEMOURS and COMPANY, *Respondent.*

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

BRIEF FOR RESPONDENT IN OPPOSITION

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OPINIONS BELOW

The opinion of the District Court for the Southern District of Illinois in the companion (Peoria) case, reported at 238 F.Supp. 540 (not printed with the Petition), is appended hereto, *infra,* p. 1a. The judgment in that case is also appended hereto, *infra,* p. 13a.

QUESTIONS PRESENTED

The Petition presents questions for review which are hypothetical and which presuppose circumstances not present in this case.

Petitioner (Carbide) presupposes a finding in Peoria that the disclosure of Traver's 1950 patent application was insufficient to enable one skilled in the art to practice the invention within the meaning of 35 U.S.C. § 112. Yet, the Court of Appeals held squarely that the Peoria court did not intend to deal and did not deal with that question (Pet. 8a).*

The Court of Appeals also held that the "finding" on which Carbide relies was not essential to the judgment in Peoria and hence could not be conclusive in this action (Pet. 6a, 8a).

Under the terms and circumstances of this case, we believe that Carbide can present only two questions for review:

1. The threshold question—Was the Court of Appeals correct in holding that the issue in question was neither present nor determined in the Peoria case?

2. Was the Court of Appeals correct in holding that a finding in one case must be essential to the judgment before it can be given collateral estoppel effect in a later suit?

Plainly, the Court of Appeals answered these questions correctly. There is no conflict of decisions. There is no important question for this Court to review. There is no need for this Court to exercise its supervisory powers. There is nothing in this case which warrants review by this Court.

STATEMENT

The case is well stated by the Court of Appeals (Pet. 1a).

Carbide asserts (Pet. 5), incorrectly, that the Court of Appeals held Respondent (DuPont) could *relitigate* the

* "Pet. 8a" refers to the Petition, page 8a.

sufficiency of Traver's 1950 application "even though the same question had been fully submitted and twice carefully decided against" DuPont in the Peoria case. The Court of Appeals did not hold that DuPont could "relitigate" this or any other question. It simply held that DuPont was entitled to litigate a question which had never before been litigated.

ARGUMENT

I.

THE DECISION BELOW IS CLEARLY CORRECT

The Court of Appeals reversed the summary judgment as to the Traver patent on two grounds. It held that the sufficiency of Traver's 1950 application under 35 U.S.C. §§ 112 and 120 had not been at issue or determined in the Peoria case, and that in any event the alleged "finding" relied upon by Carbide was not essential to the judgment in Peoria and could not conclude DuPont in this action.

The decision of the Court of Appeals is correct on both grounds.

A. The Court of Appeals Was Correct in Holding That the Sufficiency of Traver's 1950 Application Under 35 U.S.C. §§ 112 and 120 Was Neither at Issue Nor Determined in the Peoria Case.

Carbide does not really challenge the Court of Appeals holding that the Peoria case did not deal with the sufficiency of Traver's 1950 application. Carbide simply assumes, without analysis, that the Peoria court's digressory remark determined the 1950 application to be insufficient within the meaning of 35 U.S.C. §§ 112 and 120.

We submit that the Court of Appeals was plainly correct in concluding that the Peoria court did not find Traver's 1950 application to be insufficient in the sense that it failed to comply with 35 U.S.C. §§ 112 or 120. On numerous occasions, both before and during the trial, the Peoria court held that the sufficiency of Traver's application was not before it (*infra,* 3a, 11a; R 169, 171-172).* Moreover, neither Carbide nor Traver or DuPont offered any evidence in Peoria for the purpose of demonstrating compliance or lack of compliance with 35 U.S.C. §§ 112 and 120.

The Peoria case was a 35 U.S.C. § 146 review of a Patent Office interference which involved claims, covering a "corona discharge" process, that had been formulated specifically for interference purposes (Pet. 4a). Traver's 1950 application described his invention in terms of "electrostatic discharge," and did not mention "corona discharge" (Pet. 4a). Carbide therefore contended that the 1950 application impeached Traver's evidence that he had previously discovered and practiced the "corona discharge" process recited in the interference claims (*infra,* 4a-11a; R 94, 114-116).** The Peoria court considered this argument, but rejected it (*infra,* 8a).

The Court of Appeals concluded that Judge Mercer's interest in Traver's 1950 application was not its sufficiency under 35 U.S.C. §§ 112 or 120, but whether, as urged by Carbide, it cast sufficient doubt on the credibility of Traver's witnesses to warrant disbelieving them (Pet. 8a). The Court of Appeals correctly read and interpreted Judge Mercer's digressory remark concerning Traver's 1950 application.

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* "R. 169" refers to Appellant's Printed Appendix in the Court of Appeals, page 169.

** The interference claims are not involved in this action. The Traver patent defines the invention more broadly in terms of "electrostatic discharge" (Pet. 4a).

B. The Court of Appeals Was Correct in Holding That the "Finding" on Which Carbide Relies Was Not Essential to the Judgment in Peoria and Could Not Conclude Du-Pont in This Action.

The Court of Appeals recognized the vital role of the judgment in the operation of the doctrine of collateral estoppel and applied the well-established rule that a finding must be essential to a judgment before it can be given collateral estoppel effect in a later suit, quoting *Yates* v. *United States*, 354 U.S. 298, 336 (1957), and citing 1B *Moore, Federal Practice*, ¶ 0.441(2) at 3777 (2d ed. 1965) (Pet. 6a).

(1)

Carbide concedes that there is a rule of essentiality to the judgment, but disagrees with it. Carbide urges (Pet. 8-9) that a fact or question once determined in an action should not be open to dispute in a later case, quite apart from its essentiality to the judgment. Carbide's proposition has no support in the authorities, however, and the cases upon which it relies—insofar as they deal with collateral estoppel—support the rule followed by the Court of Appeals. *Railroad Companies* v. *Schutte*, 103 U.S. 118 (1880), upon which Carbide places its principal reliance (Pet. 11), is at most a *stare decisis* case, not a collateral estoppel case at all. See 1B *Moore, Federal Practice*, ¶ 0.443(5) at 3925-28 (2d ed. 1965).

The rule of essentiality to the judgment is recognized as a sound rule. As Professor Moore says (1B *Moore, Federal Practice*, ¶ 0.443(5) at 3922 (2d ed. 1965), this rule gives "the assurances of integrity and correctness that the judicial process affords to genuinely dispositive adjudications." The rule urged by Carbide would require winning litigants to comb judicial opinions for adverse comments which might

be prejudicial if given conclusive effect in future litigation. The door would be opened to a wide new area of post-trial motions and appellate litigation.

(2)

Carbide lays down the challenge (Pet. 11) that application of the rule of essentiality followed by the Court of Appeals would mean that a party can never be bound by a finding of fact against him where the ultimate judgment was in his favor. We submit that such a result is sound and is supported by the authorities. 1B *Moore, Federal Practice*, ¶ 0.416(5) at 2302-08, ¶ 0.443(5) at 3922-23 (2d ed. 1965); *Restatements, Judgments*, § 68, comment o at 309 (1942); *Thomas & Betts Co.* v. *Electrical Fittings Corp.*, 100 F.2d 403 (2d Cir. 1938), *rev'd on other grounds*, 307 U.S. 241 (1939); see *Partmar Corp.* v. *Paramount Pictures Theatres Corp.*, 347 U.S. 89, 99, n. 6 (1955).*

Carbide urges that the rule of essentiality to the judgment has led to widespread confusion between the circuits and even between judges in the same circuit (Pet. 12-14). The confusion is wholly imaginary so far as the application of the rule to this case is concerned. None of the cases relied upon by Carbide challenge the rule of essentiality itself. These cases simply indicate that essentiality to the judgment by itself may not always be enough. Even though a finding may have been essential to a judgment in an earlier case, it may still be inappropriate to give it conclusive effect in a later case, unless it involved an ultimate rather than an evidentiary fact, or unless it involved an

* Carbide urges that the rule of collateral estoppel followed by the Court of Appeals is in conflict with the *Electrical Fittings* case. We disagree. We believe that Judge Learned Hand was correct in his interpretation of the *Electrical Fittings* case as expressed in *Harries* v. *Air King Products Co.*, 183 F.2d 158, 161 (2d Cir. 1950).

issue which the parties (not the court, as suggested by Carbide) could foresee as the subject of future litigation between them.*

(3)

Carbide urges strongly that *Becher* v. *Contoure Labs*, 279 U.S. 388 (1929), is in conflict with the decision of the Court of Appeals (Pet. 15-16). We submit this is not so. *Becher* is clearly distinguishable from the instant case. In the first place, the fact question in the prior action was precisely the same as the fact question in the second action. Secondly, the judgment in the prior action was against Becher, the party sought to be estopped in the second action. Thirdly, the finding against Becher in the earlier case was plainly essential to the judgment in that action.

(4)

Lastly, Carbide argues that the collateral estoppel effect of a judgment should not depend upon whether the judgment has been examined by a court of review (Pet. 17-18).

The short answer to this argument is that we do not now urge, nor have we ever urged, such a proposition. The proposition we urged below, and which we urge here, is that DuPont could not have obtained appellate review of the Peoria court's remark concerning Traver's 1950 application because the judgment was in DuPont's favor. This is a further reason why this remark cannot conclude DuPont in this case. *Restatement, Judgments*, § 69(2) (1942); 1B *Moore, Federal Practice*, ¶ 0.916(5) at 2302-03, ¶ 0.443(5) at 3923 (2d ed. 1965); *Electrical Fittings Corporation* v.

* The cases relied upon by Carbide are irrelevant here for an additional reason. The judgments in the prior cases were against the parties sought to be estopped in the later cases. Here, the judgment in the prior case was in favor of DuPont, the party sought to be estopped in the present case.

Thomas & Betts Co., 307 U.S. 241 (1939), *reversing* 100 F2d 403 (2d Cir. 1938); *Partmar Corp.* v. *Paramount Pictures Theatres Corp.*, 347 U.S. 89, 99, n. 6, 109 n. 8 (1954).

Nothing in the cases cited by Carbide remotely suggests that DuPont had a right of appeal from the Peoria judgment in its favor or from the order denying its post-trial petition to alter a few words in the Peoria court's opinion. Indeed, *Partmar Corp.* v. *Paramount Pictures Theatres Corp.*, 347 U.S. 89, 99, n. 6 (1954), cited by Carbide, recognizes the very propositions we urge here: a prevailing party may not appeal from a finding when that finding is not necessary to the judgment, and in such a case the finding does not form the basis for collateral estoppel.

II.

THERE IS NO REASON FOR THIS COURT TO REVIEW THE DECISION BELOW

No amount of strained argument can convert this case into one warranting review by this Court on certiorari.

There is no conflict of decisions. There is no important question for this Court to review. There is no need for this Court to exercise its supervisory powers.

The court below quite properly reversed a summary judgment which would have deprived DuPont of the right to a trial on the validity of its Traver patent. In so doing, the court applied long-established and well-recognized rules of the doctrine of collateral estoppel.

In large part, the decision below turned on its own facts, and affects no one but the parties to this case. The Court of Appeals disagreed entirely with the District Court and held that the question which the District Court considered

to have been determined in the Peoria case was in reality not dealt with in the Peoria case at all. This Court should not be asked to review the determination by the Court of Appeals on this point, only to be faced with a question which has so little substance—whether a non-essential, digressory comment in a case which DuPont won can conclude DuPont in this case and deprive it of the right to a trial on the question of validity of the Traver patent.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the Petition for a Writ of Certiorari should be denied.

March 10, 1967.

Respectfully submitted,

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